

VALERI Servicer Newsflash

Tuesday, June 21, 2011

MORTGAGE ASSISTANCE PROGRAMS

Emergency Homeowners' Loan Program (EHLP)

The U.S. Department of Housing and Urban Development (HUD) has recently launched EHLP to provide emergency mortgage assistance to homeowners who are temporarily and involuntarily unemployed or underemployed because of the economy or a medical condition and who are facing the risk of foreclosure. A funding of \$1 billion has been allocated for this program.

Some important highlights of the program are:

- Eligible homeowners can get a 0% interest, forgivable loan toward past-due mortgage payments as well as a portion of the homeowner's mortgage payment for a maximum of 24 consecutive months, or up to \$50,000, whichever comes first
- There are certain eligibility requirements, such as owner-occupancy and the loan must be at least 90 days delinquent.
- Homeowners can start submitting the Pre-Applicant Screening Worksheet on **June 20, 2011**. The submission deadline is **July 22, 2011**.
- EHLP is offered in the following states: Alaska, Arkansas, Colorado, Hawaii, Iowa, Kansas, Louisiana, Maine, Massachusetts, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Mexico, New York, North Dakota, Oklahoma, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming; and in Puerto Rico. Five states operating their respective mortgage assistance programs as "substantially similar" to EHLP have received funding to directly administer and assist homeowners in need. These states are Connecticut, Delaware, Idaho, Maryland, and Pennsylvania.
- Homeowners do not have to pay a fee to work with EHLP housing counseling agencies.

Additional information is provided at www.FindEHLP.org or toll free 1-855-346-3345.

Hardest Hit Fund (HHF)

The HHF program administered by the U.S. Department of Treasury under the Emergency Economic Stabilization Act of 2008 provides additional assistance for homeowners living in areas deemed "hardest hit" due to the housing crisis. HHF provides funding for state housing finance agencies to establish programs designed to prevent a mortgage from going into default or foreclosure in Alabama, Arizona, California, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Mississippi, Nevada, New Jersey, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, Tennessee, and Washington DC. Homeowners should contact the state housing agency directly. Specific program requirements and links to state sites are available at

<http://www.treasury.gov/initiatives/financial-stability/housing-programs/hhf/Pages/default.aspx>.

Important Note

Please note VA does not administer any of these programs. To obtain an application or locate respective housing agencies, refer to specific program contact information.